

Department for International Development
Responding to HIV/AIDS



REPORT BY THE COMPTROLLER AND AUDITOR GENERAL
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executive summary

'... the [HIV/AIDS] epidemic continues its lethal march around the world, with few signs of slowing down. In the course of the past year, every minute of every day, some 10 people were infected.'

Kofi Annan, United Nations Secretary General, Message on the Occasion of World AIDS Day, 1 December 2003

The impact of HIV/AIDS

- 1 Over the last two decades at least 65 million people have been infected with HIV and 20 million have died. HIV/AIDS is now the leading cause of death in Sub-Saharan Africa where, in some countries, nearly 40 per cent of the population are infected. By 2010, about 14 million children worldwide will have been orphaned by the epidemic.¹
- 2 For the poorest countries, in particular, HIV/AIDS can be devastating, depriving them of their most productive people, eroding the capacity of governments to provide essential services and stopping economic growth. The epidemic also jeopardises achievement of the Millennium Development Goals² - which aim to halve by 2015 the proportion of the world's population living in extreme poverty. If the Goal to halt and begin to reverse by 2015 the spread of HIV/AIDS is not achieved, that will undermine progress towards all the other Goals. For example, the number of children enrolled in schools in Swaziland has fallen by 36 per cent due to AIDS orphans dropping out of school, eliminating the possibility of achieving universal primary education by 2015.³



Coffin-maker's shop, Lilongwe, Malawi

¹ UNAIDS (2002), *Report on the global HIV/AIDS epidemic, July 2002*; UNAIDS, *AIDS Epidemic Update 2003*; DFID (2003), *UK's Call for Action on HIV/AIDS, December 2003*.
² *The Millennium Development Goals were adopted by member countries of the United Nations in 2000 and provide global consensus on objectives for addressing poverty. Further information can be found at www.un.org/millenniumgoals.*
³ *United Nations Development Program (undated), Results: HIV/AIDS.*



3 In June 2001, the United Nations issued a Declaration of Commitment on HIV/AIDS⁴ in recognition that the epidemic required a multifaceted response on a global scale and set out a roadmap for its implementation. The United Kingdom White Papers on International Development in 1997⁵ and 2000⁶ highlighted the importance of tackling HIV/AIDS in the interests of eliminating world poverty. The Department for International Development (DFID) leads the United Kingdom contribution, through bilateral country programmes and through multilateral development institutions and international initiatives in the HIV/AIDS field. DFID produced a formal *Strategy* on HIV/AIDS in May 2001⁷ and in April 2003, DFID established a multi-disciplinary HIV/AIDS Policy Team to reflect the cross-sectoral nature of the epidemic. In December 2003, the United Kingdom published its *Call for Action on HIV/AIDS*⁸ which signalled the Government's intention to intensify its effort to tackle the epidemic. A summary of the *Call for Action* is set out in Appendix 1. A new HIV/AIDS strategy is due to be published in July 2004. This report examines:

- whether DFID had a satisfactory HIV/AIDS strategy;
- how DFID worked through multilateral development institutions and global partnerships to achieve its objectives on HIV/AIDS;
- how DFID's country programmes sought to tackle the epidemic; and
- what use DFID made of research on HIV/AIDS.

DFID's strategic response

4 DFID's 2001 *Strategy* document on HIV/AIDS aims to provide '... a strategic framework for DFID staff on how to approach tackling the HIV/AIDS pandemic'; and 'outlines to a broader readership DFID's priorities and the partnerships [DFID] will be pursuing'. The substance of the *Strategy* reflects international thinking of the time about effective approaches and it compares well with strategies on HIV/AIDS developed by other like-minded donors. It articulates the causes and effects of the epidemic, recognises the importance of international objectives and targets, and highlights the value of working in partnership with others. It helps those outside DFID to understand its broad priorities.

5 The *HIV/AIDS Strategy* was also designed to inform divisional and country-level plans, which set out the detail of DFID's responses. It set out most possible responses to the epidemic, as a starting point for staff - many posted in country - to derive the best set of responses for their circumstances. While responses at a country level need to be driven primarily by country circumstances, the *Strategy* could in some areas have provided further guidance on the relative merits of different approaches.

6 DFID staff also told the National Audit Office that there was a growing need for technical guidance on a number of issues facing them as they sought to develop programmes to tackle HIV/AIDS. DFID had planned to issue a number of guidance notes in the year following publication of the *Strategy* but only two out of seven have been published. There is a continuing demand from country teams for guidance on the most difficult and sensitive issues - such as the merits of funding anti-retroviral drug treatments. DFID plan to issue guidance later in the year, starting with an HIV Treatment and Care Policy, a Sexual and Reproductive Health Position paper and an Access to Medicines Strategy in

4 United Nations General Assembly, *Declaration of Commitment on HIV/AIDS, Special Session on HIV/AIDS, 25-27 June 2001.*

5 *White Paper on International Development (1997), Eliminating World Poverty: A Challenge for the 21st Century, Cm 3789.* London, The Stationery Office.

6 *White Paper on International Development (2000), Eliminating World Poverty: Making Globalisation Work for the Poor, Cm 5006.* London, The Stationery Office.

7 *DFID (2001), HIV/AIDS Strategy, May 2001.*

8 *DFID (2003), UK's Call for Action on HIV/AIDS, December 2003.*

July 2004, followed by a Communications paper in October 2004. The HIV/AIDS web portal is due to be launched in July 2004. In the absence of a DFID position on these issues, staff have recourse to advice from a wide range of other sources, including the extensive UNAIDS 'Best Practice' series of publications.

Monitoring implementation and impact

- 7 Performance against HIV/AIDS-related targets in DFID's 2003-06 Public Service Agreement will be assessed in 2004 when key data from the United Nations become available in July. DFID has not monitored the implementation or impact of its *HIV/AIDS Strategy* separately from its wider business planning and monitoring processes. Existing monitoring arrangements assess progress against the milestones set out in DFID's Public Service Agreement, Director Delivery Plans and Country Assistance Plans rather than against the objectives set out in the HIV/AIDS strategy.
- 8 Methods of estimating HIV/AIDS expenditure vary. DFID's current definition of HIV/AIDS bilateral expenditure includes sexual and reproductive health spending and generates an estimate of £274 million for 2002-03. If direct budget support and projects that focus principally on sexual and reproductive health are excluded the estimate falls to £169 million for 2002-03. An even narrower approach, which sought to exclude all project expenditure except that focused directly on HIV/AIDS, yielded an estimate of £103 million for 2002-03. This range of estimates reflects the broad-based and multisectoral nature of DFID's HIV/AIDS response, which makes expenditure contributing to HIV/AIDS objectives difficult to isolate. DFID, in common with other donors, has had difficulty in identifying the extent to which general support to a nation's budget is employed on HIV/AIDS issues. DFID has agreed an approach for identifying the extent to which budget support is used on HIV/AIDS based on recipient governments' own expenditure analyses. But more detailed guidance must be prepared before the approach can be applied. DFID has also recently developed a system to use multilaterals' own reported data to estimate how much of its contribution they spend on HIV/AIDS - the first running of the system provides an estimate of £57 million for 2002-03.
- 9 DFID recognises the need to develop a new strategy. In 2003 it created a multi-disciplinary policy team to lead and coordinate a corporate response to the challenges HIV/AIDS presents to achievement of the Millennium Development Goals. In its *Call for Action* paper DFID announced that it will produce a new HIV/AIDS strategy in 2004 and issue new policy guidance on the role of HIV treatment and care. The creation of the HIV/AIDS Policy Team and this National Audit Office review have led DFID to defer its first comprehensive evaluation of its response to HIV/AIDS.

Working through multilateral development institutions and global partnerships

Multilateral development institutions

- 10 DFID provides significant sums to multilateral development institutions. DFID seeks to influence the policies and activities of such institutions and has developed Institutional Strategy Papers which describe how DFID aims to achieve its objectives in partnership with these organisations. Institutional strategies are not designed to focus exclusively on HIV/AIDS. But HIV/AIDS has such a bearing on the Millennium Development Goals that it should feature in any strategy relating to those multilateral development institutions which have a clear interest in responding to the epidemic. However, 8 out of the 14 DFID



Strategy Papers for such institutions did not mention HIV/AIDS. One of these was for the European Commission, the largest recipient of multilateral funding from DFID, receiving £851 million in 2002-03.

- 11 The lack of HIV/AIDS-related objectives in many of DFID's Institutional Strategy Papers reflects in part the high-level nature of these papers. However, it also hampers monitoring of progress. Of the five key multilateral development institutions, one fell below the threshold to qualify for an Institutional Strategy Paper which would have formed the basis of monitoring; two had strategy papers but DFID had not reviewed annual progress; and for the remaining two, annual reviews of progress against strategic objectives did not deal with HIV/AIDS - because there were no explicit HIV/AIDS objectives. DFID has sought to strengthen its review of multilateral development institutions generally with the establishment in 2003 of a Multilateral Finance Allocation Committee whose role is to assess the effectiveness of multilateral bodies as part of decisions about their funding.

Global partnerships

- 12 DFID also supports a number of global and regional HIV/AIDS partnerships, including the Global Fund to Fight AIDS, Tuberculosis and Malaria (the Global Fund) and the International Partnership against AIDS in Africa (the International Partnership). They provide the potential to focus extra resources on tackling HIV/AIDS alongside more traditional bilateral and multilateral routes. DFID has committed US\$280 million (2002-08) and £25 million (2002-05) to the Global Fund and the International Partnership respectively. DFID has been part of the monitoring and evaluation framework working group which is assessing the Global Fund's impact and through this group DFID has contributed towards the development of a robust evaluation framework for the Fund as a whole. However, progress against DFID's own objectives for the Fund has not been formally assessed. Informal monitoring has led DFID to believe that the Global Fund is now overcoming earlier difficulties it faced in slow disbursement of funds to recipient countries. And DFID has been successful in increasing the Fund's focus on poor countries. An external review of the International Partnership in 2003 concluded that only limited achievement of the purposes of the Partnership was possible and that six out of eight outputs should be dropped. However, DFID believes the International Partnership has an



important and continuing relevance alongside the Global Fund and the World Bank's multi-country HIV/AIDS programme for Africa and therefore decided to maintain its support to the Partnership until the end of the funding agreement in 2005.

Tackling HIV/AIDS at country level

National strategies and DFID country plans

- 13 DFID, like many other donors, has sought increasingly to design its country programmes to support the recipient's national poverty reduction strategy, including strengthening the role and capacity of any national structures for tackling HIV/AIDS. Poverty Reduction Strategy Papers for those countries key to the achievement of DFID's Public Service Agreement targets on HIV/AIDS varied in the degree to which they recognised the importance of HIV/AIDS for poverty reduction. Over a third did not indicate the level of resources set aside for tackling HIV/AIDS and only a third provided measures or targets with which to assess progress.
- 14 DFID's own country assistance plans do not address the issue of HIV/AIDS consistently. Our review of assistance plans for DFID's key target countries showed that more recent Country Assistance Plans provided greater HIV/AIDS coverage than the Country Strategy Papers which preceded them. But in many plans, the prioritisation to be given to HIV/AIDS within DFID's wider development programme in a particular country was hard to identify. Several plans failed to consider the effect of the epidemic on poverty reduction. Considered assessments of the national capacity to respond; the impact of cultural, political and social factors in a particular country; and the implications of these factors for designing an effective response were often lacking. Many provided little sense of the level of resources appropriate for HIV/AIDS, or did not set out the intended outcomes.

Country level HIV/AIDS programmes

- 15 DFID country teams support a variety of interventions in the HIV/AIDS field, ranging from direct support to a recipient government's budget to more project-based support to NGOs. The autonomy afforded to country teams and their willingness to consider a variety of ways to tackle the epidemic have enabled DFID to adopt a more flexible and speedy approach than some other donors, which is appreciated by its partners and in line with DFID's decentralisation of country-specific policy-making to the country offices. For example, in Malawi, where government HIV/AIDS capacity is limited, DFID has continued to fund NGOs to deliver local HIV/AIDS services, whilst at the same time working to help strengthen the public sector through technical assistance and support for key systems and institutions.
- 16 When examining individual HIV/AIDS interventions within the context of their Country Assistance Plans, we found that country teams often took key decisions at an early stage in the design process, based largely on the judgement, intuition and experience of country staff. Once areas for intervention were identified, they were followed up by more formal technical, social, institutional, economic and risk appraisals. In several cases, interventions which represented a continuation of current activities were submitted for funding approval without options being considered. In framing their programmes country teams recognised the importance of learning lessons from elsewhere but they felt they lacked support in identifying relevant information amongst the large amount of technical data available. They also felt that there was insufficient information on how to manage successful HIV/AIDS interventions.



- 17 The increased emphasis on supporting partner countries' own development plans through use of budget support, in partnership with other donors, gives an opportunity to embed DFID spending in a more sustainable and effective way, but also presents a challenge for DFID to ensure that such funds are used to support recipient governments' own work in tackling HIV/AIDS. Only a few of the Poverty Reduction Strategies for which budget support is provided detailed the level of resources to be allocated to HIV/AIDS, and set out how progress on HIV/AIDS would be measured.

Commissioning and using research

- 18 The rapidly changing nature of HIV/AIDS and continuing debates over appropriate responses means that ongoing research is needed to maintain and improve the effectiveness of responses. DFID contributes to the global effort by providing funding to international research on developing an AIDS vaccine (£14 million, 2000-04) and on microbicides to kill the virus at point of transmission (£17 million, 2001-06), both of which could provide significant benefits. DFID led the global donor community in providing support for these initiatives and, in doing so, helped generate additional financial support from other donors.
- 19 DFID also provides £11 million (1999-2006) to support five Knowledge Programmes designed to generate and share new knowledge on HIV/AIDS. The Programmes have generally been successful in changing the climate of opinion. Some work, for example on the effect on the level of HIV transmission of the treatment of sexually transmitted diseases, has had a significant influence on international thinking.
- 20 These programmes were intended for take up by developing countries and other institutions as well as DFID's own staff. It is to this last audience that research results could have been better disseminated, in particular to those DFID staff working in-country. No regular communication channels exist and some Programmes have experienced problems in engaging with DFID country teams. A review of the Knowledge Programmes carried out in 2003 concluded that they suffered from 'weak operational relationships' with country-based advisers; and that country offices and DFID centrally had done little in guiding, feeding into or feeding back on the use of the knowledge generated. Consequently, the knowledge produced has had little influence on DFID's country-level HIV/AIDS programmes. DFID has recognised the need to improve the dissemination of research results, and to report more regularly and effectively on the impact of its research programmes.



Overall conclusion and recommendations

- 21** The long-cycle nature of the HIV/AIDS epidemic, variations in the viruses, differences in the main means of transmission and stages of the epidemic between countries, and uncertainty over which responses will prove effective, all pose difficulties for development agencies and national governments in combating the epidemic. DFID has responded with the production of an *HIV/AIDS Strategy*, a substantial increase in HIV/AIDS expenditure and, recently, a multi-disciplinary policy and advisory team, to help coordinate an effective response. It accepts the need to provide greater guidance to country staff and it plans to launch its HIV/AIDS web portal and a number of policy papers in July 2004 to address this. DFID has also recognised the need to revise its HIV/AIDS strategy, and a new strategy is scheduled for publication in July 2004. This reflects recognition that difficulties remain in adequately embedding HIV/AIDS across DFID's planning systems; in securing the information both to plan and monitor effective interventions; in making best use of HIV/AIDS expertise and knowledge; and in allocating appropriate overall resources to combating HIV/AIDS. Given the severe impact of the epidemic on all development indicators, it merits close attention as a key cross-cutting risk to development performance goals. The following recommendations are designed to build on current DFID initiatives and add a degree of impetus to their effective implementation.
- 22** To help in setting priorities and allocating resources for HIV/AIDS, DFID should:
- update, as part of its *Call for Action*, its strategy to provide:
 - a policy statement on responding to HIV/AIDS including the approaches and partners DFID considers crucial to implementation of its strategy; and how it will measure progress;
 - supporting guidance and advice for country teams on key operational issues such as treatment and the use of budget support capable of being updated in the light of research and experience;
 - improve its system for providing information on the level and nature of HIV/AIDS activity and expenditure to inform judgements on overall resource allocation and monitoring of progress against strategic objectives;
 - measure the effectiveness of its response, drawing on the results of monitoring and evaluation carried out by recipient governments and other donors, and by working with the international community.
- 23** To secure maximum effectiveness in tackling HIV/AIDS from its country programmes and multilateral funding, DFID should:
- make sure that its strategies for dealing with those multilateral agencies having an important part to play in combating the epidemic articulate objectives for the institutions' HIV/AIDS policies, activities and results;
 - for countries where DFID has HIV/AIDS targets, require country teams to assess, when preparing or updating Country Assistance Plans, the capacity of the country to respond to HIV/AIDS, taking account of factors such as those suggested in Appendix 2;
 - where HIV/AIDS is a key risk to general development goals, make sure assistance plans set out DFID's strategy for responding, across all relevant sectors, and associated objectives. And ensure that planned interventions not only fit with the country HIV/AIDS assessment and the strategy, but are sufficient, in combination with partners' efforts, to achieve objectives; and
 - make sure that, where general budget support based on a nation's Poverty Reduction Strategy is an important element of DFID's HIV/AIDS response, DFID supports the recipient government to reflect the importance of addressing HIV/AIDS in its strategy, including an explicit focus on resourcing and main activities, and the associated monitoring necessary to provide visibility of progress.
- 24** To ensure that its programmes adequately reflect current knowledge on HIV/AIDS, DFID should:
- ensure that mechanisms are in place to identify and disseminate key research and knowledge in the field to country teams;
 - ensure that Knowledge Programmes take account of the needs of operational HIV/AIDS programmes; and
 - make better use of DFID's intranet to summarise emerging research, links to sources of key information and lessons learnt on the management of HIV/AIDS interventions.